

**REPORT FROM ADVERTISING STANDARDS FORUM  
AND MENTORING WORKSHOPS**

**8 -9 August,  
Beijing, CHINA 2014**

On 8-9 August 2014 the Advertising Standards Forum (the Forum) and Mentoring Workshop (the Workshop) were held in Beijing, China. Delegates from 16 APEC economies attended to share information, policies, and best practice principles regarding advertising standards with the goal of reducing barriers to trade and investment across APEC member economies. The Dialogue was also intended to foster partnerships between governments and business, advertisers and the media in the advertising sector. The Workshop was combined with a one day conference aimed at China-based marketers and regulators to examine ways to appropriately address advertising issues in China.

The Workshop followed from the *Hanoi Dialogue* which was held in November 2010 under APEC's Regulatory Cooperation Advancement Mechanism on Trade-Related Standards and Technical Regulations (ARCAM). The outcomes from the *Hanoi Dialogue* were submitted to the APEC Committee on Trade and Investment (CTI) which subsequently agreed to recommend that the APEC Policy Support Unit (PSU) undertake a "mapping exercise" to assess the current status of advertising regulatory and self-regulatory structures across APEC.

The PSU report was finalized in early 2014 and recommended, *inter alia*, that additional dialogues be undertaken to share best practices between economies as well as to offer capacity building for APEC self-regulatory organizations (SROs). To implement this recommendation, the CTI approved a second workshop to be held on the margins of the third senior officials meeting (SOM) in Beijing in August 2014.

Themes covered during the Forum included: the critical role that advertising plays in generating competition and economic growth; the impact that divergences in regulatory and self-regulatory structures can have on the ability of companies, particularly small and medium sized enterprises (SMEs), to enter new markets; international communication on global and national policy developments; setting and maintaining advertising standards; sharing company best practice cases on ad self-regulation; and compliance and the role of governments.

The Workshop on Day 2 provided practical information to advertising practitioners and representatives of self-regulatory organisations from the APEC member economies on matters including: how to fund and run a secretariat; communication with stakeholders; managing complaints about advertising on line; the complaints process; and how to make decisions about appropriateness of advertising.

Both the Forum and Workshop affirmed the importance of advertising as a driver of economic growth and explored the application of internationally accepted practices regarding the self-regulation of advertising for possible broader use within APEC. The Workshop agreed to an outcome document—the APEC Action Agenda on Advertising Standards and Practice Development (2014/SOM3/CTI/032)—which identified key principles for advertising regulatory regimes as well as recommending several follow-up actions for APEC to take to continue to build capacity in this area. The Action Agenda was subsequently endorsed by APEC Economic Leaders and APEC Ministers in November 2014.

## **Day One – Best practice advertising principles and practice and advertising standards forum**

### ***Opening Ceremony***

Mr. Liu Bo 'An - Director General, China Association of National Advertisers (CANA) opened the Forum welcoming all participants and reminding participants that the purpose of the dialogue was to address the issue of self-regulation in advertising and how self-regulation itself can be successful in reducing technical barriers to trade. He also noted that the purpose of the forum was to enable APEC economies to share information, policies and best practice principles regarding advertising standards.

### ***Welcome Address***

Mr. Hou Yunchun – President, CANA welcomed participants to the Forum and shared information about the economic situation in China and its relatively low advertising revenue.. Mr. Hou noted that the purpose of the Forum was to continue to promote self-regulation in the Asia Pacific region and that gatherings such as the Beijing meeting can help to develop harmonious and useful relationships. He stated that he was hopeful that the outcomes of the Forum would provide the authorities and organisations responsible for the advertising industry in China with the latest international best practices and experiences and facilitate the establishment of a favourable environment for the advertising industry and consumers of China.

### ***Keynote Address***

Mr. Zhang Guohua – Director General, Department of Advertising Regulation, State Administration for Industry and Commerce (SAIC), China said the meeting was a rare opportunity to take part in a forum but to also promote self-discipline of advertising in South East Asia. Mr. Guohua said advertising was an important instrument to expand growth and self-regulation and can be a useful tool to build a good market order. He spoke about China's current commitment to commercial industrial reform and work being done on a revision of its advertising law.

Since CANA was established in 2005 it has been committed to developing a self-regulatory advertising system and acknowledgement was given to the more mature regions having highly self-disciplined systems. Mr Guohua said China could learn from these advanced markets.

### ***SESSION 1 – International communication on global and national policy developments***

**Mr. Owen Ma** – Vice President, China, Cargill was the Moderator for the first session.

Mr. Ma outlined that the issue of global and national policy developments was an important topic and that he welcomed time spent on this topic and the chance to look at it from various perspectives.

**Mr. Adam Gagen** - Public Affairs Manager, Asia Pernod Ricard provided an in-depth summary of global policy developments related to advertising self-regulation. He provided a perspective from a private company on the impression of self-regulation in Asia.

Mr. Gagen, as a representative of a company that produces alcohol, stated that advertising plays a key role in what the business does, but the product was a sensitive one so the use of advertising could be quite complex. Mr. Gagen discussed the link between advertising and the provision of choices and that advertising is one of the drivers of economic growth. He also noted that the number of goods and services available to people is on the increase and advertising is necessary to assist consumers to make a choice. The advertiser's voice is increasingly important because of the range of ways people look for things to buy and to use.

Key points to consider as part of a broader system is that the content of advertising must be truthful and credible in order to be successful and self-regulation must focus on the content. This is a shared objective between consumers, government and business.

Mr Gagen said collaboration is the key and there is sometimes a perception that the Government does not have a role in self-regulation but this is incorrect; self-regulation must work within, and as a complement to, a regulatory system.

**Mr Zhang Xiang** – Vice Chair, National Advertising Research Institute of China discussed the topic of advertising self-regulation policy development on national level.

Specifically he noted that advertising self-management is different from Government regulation and that one of the key features is that self-regulation has a role in upholding moral standards. Mr. Xiang informed the Forum about the history of self-regulation in China—from its beginning in the 1920s, through to today, and about the gradual maturing of China's advertising industry.

With reform, China's advertising system and management of it, is becoming gradually standardized. It has established self-discipline rules—formulated by the advertising industry association. These capture:

1. Advertisers
2. Advertising agencies
3. Advertising and media agencies

and are focused on fair competition and looking at content.

The Chinese system includes other related organisations: China internet association, film association, cosmetics industry and others, but is not perfect or mature.

**Ms. Fiona Jolly** – Chief Executive Officer, Advertising Standards Bureau (ASB), Australia discussed advertising self-regulation policy development in the APEC region. She informed the Forum about the importance of consistent rules for the content of advertisements particularly relating to truth, accuracy and social values. She referred to the basis of the rules stemming

from the International Chamber of Commerce's Consolidated Code of Advertising Practice (ICC Code) which can be more detailed for specific sectors (such as alcohol and vehicles).

Standards for the content of advertising require a code making body—an industry body which consults with industry, consumers and government to establish standards.

This must be supported by a system to monitor compliance and a structure for addressing consumer concerns about advertising. A separate code administration body should:

- be funded by industry
- receive complaints from the community and business about the content of advertising
- have an independent body to adjudicate on whether advertisements meet standards
- ensure that advertising that does not meet the standards is removed.

Some of the benefits of a best practice system include:

- Effective, efficient and unbiased complaints handling which reflects the needs of companies and consumers/civil society
- Improving the reputation of the business (regardless of size, location and sector)
- Enhancing customer confidence, satisfaction and loyalty = increased spend
- Providing confidence in the consistent treatment of complaints in the global marketplace
- Enhancing domestic and international competitiveness.

A **system for managing advertising** complaints and compliance with Standards should be based on good regulatory practice and must:

- have full support and cooperation of broad advertising industry
- be transparent in the Standards and the development process of Standards
- have Standards which are the least restrictive possible for business
- be efficient in its operations
- have the same rules for all businesses.

In summary, working together Forum attendees can share best practices, build capacity, and address emerging policy issues.

### ***Session 1: Panel Discussion***

Building on the information provided in the presentations above, a panel discussion moderated by Mr. Ma, enabled the three presenters to answer questions and discuss how they have each adopted and worked within advertising regulation systems, and to also provide further perspective from their own experiences.

Questions from the floor concerned: if the system is purely self-regulated then how does it ensure that advertisers comply with decisions and how is enforcement managed if the Government is not regulating?

Panelists discussed how self-regulation is a bit of a misnomer as self-regulation must exist within a regulatory structure. Governments and regulations help to establish the baseline from which self-regulatory bodies can build as well as enforce decisions in instances in which there is not compliance with an SRO determination. Panelists discussed that education and training are critical in the process and that if advertisers are well informed to begin with, then there will be fewer serious breaches, reducing the need for Government to intervene for only the very worst of the problems.

Panelists discussed the effectiveness of the media and the public in helping with compliance. Generally speaking advertisers are committed to doing the right thing and bad reputations can affect their businesses.

One of the difficulties that is common throughout is that many advertisers think that because they have paid for their advertisements that they should be able to say what they like. As a result, continuous education is needed to remind them that the rules and experiences of best practice are a good place to start and that the basic principles of decency, honesty and truthfulness can be a base for industry-wide standards.

### ***SESSION 2 – Setting and maintaining advertising standards – the International Code and best practice in adapting it to local economies***

**Mr. Will Gilroy** – Director of Communications, World Federation of Advertisers (Moderator) welcomed the next speakers.

**Ms. Elizabeth Thomas-Raynaud** – Senior Policy Executive, International Chamber of Commerce (ICC) gave an overview of the role of the ICC and how it helps shape laws and rules communicated to Governments. In particular Ms. Thomas-Raynaud discussed the ICC Code and its role as a globally relevant Code offering best practice guidance: developed by industry for industry.

She noted that the Code covers all marketing communications including techniques (legal, decent, honest, truthful) and the expanded scope is important because it broadens the scope of self-regulation.

The Code covers the details of why things may breach and follows a basic composition of: Sales Promotion; Sponsorship; Direct marketing; Digital Interactive Media; Environmental Claims.

Ms. Thomas-Raynaud informed participants of the ICC's development of training modules and case studies to help new advertisers understand the ICC Code and advised that the Code has been translated into several languages. As part of its commitment, the ICC continues to monitor concerns and areas where there might be gaps or a need for training to help with the assistance of interpreting the Code.

**Ms. Linda Nagel** – President and CEO, Advertising Standards Canada (ASC) summarized the

reason behind the existence of the ASC as “Advertising Standards Canada exists because Truth in Advertising Matters”.

Ms. Nagel gave an overview of the role of the ASC and a background into how the organization was developed to foster community confidence in advertising. Ms. Nagel informed the Forum about consumer research conducted by the ASC which indicated that the biggest concern for consumers was misleading advertising, false claims, followed by sexual themes and negative stereotypical treatment of others. She noted that the research confirmed that consumers consider it very important to have rules for advertising and for advertising to be accurate, truthful, fair and not misleading. The Code builds and maintains public trust and provides transparent standards that can be known by all.

Ms. Nagel advised that the Canadian Code of Advertising Standards shares principles from the ICC Code. In Canada, local needs and concerns needed to be addressed and therefore could not adopt the ICC Code as a whole, but that the Canadian Code covers all advertising, current and emerging, and is complimentary to Canadian regulations and communicates a similar message to that of the ICC Code.

Ms. Nagel provided some advice on starting a Code from scratch and included suggestions such as:

- Convene the right group of stakeholders to get buy-in
- Strike Code committee
- Review ICC Code (use what you can)
- Finalise Code draft
- Seek broad consultation (input from government and community)
- Make revisions
- Publish (ensure support from all sectors of industry—advertisers, agencies, media).

### ***Session 2: Panel Discussion***

Building on the information provided in the presentations above, a panel discussion moderated by Mr. Will Gilroy, enabled the presenters to answer questions and discuss how they have each adopted and worked within advertising regulation systems, and also provided further perspective from their own experiences.

Questions from the floor concerned: why is there a need for additional Codes such as alcohol Codes if we have a Code that covers everything?

The panelists explained that while some standards are consolidated, there is a need for interpretation guidelines to help interpret the Code and special areas. Certain types of products—such as baby formula—raise unique advertising challenges and therefore need more focused guidelines.

Because the area of advertising is a developing sector there will always be a need for new

Codes and additional regulations. Additional guidelines can replace the need for additional fully developed Codes and rather act as supplementary documents for consistency and ease.

Ms. Thomas-Raynaud mentioned that the ICC Code is quite flexible and can often address emerging issues, like internet advertising, through its existing principles, but that the ICC will often then develop supplemental guidance or frameworks to assist in the application of the ICC Code to the new area.

Things change all the time and therefore rules continue to be made and developed. Key areas to consider are:

WHAT – is the issue?

HOW – can the Code or supporting documents be used to cover these issues?

WHO - should you be consulting to ensure thorough and robust decisions and Codes?

### ***SESSION 3 – Sharing of company best practice cases on ad self-regulation***

**Mr. Stephen Peng** - CANA Consultant and ICC Beijing Consultant, (Moderator) welcomed participants and introduced the speakers who would share their knowledge of company best practice and self-regulation.

**Ms. Judy Zhang** – Director of Public Affairs, Mars, China shared her perspective from an industry view on the theory of best practice and advertising self-regulation.

Mars has five main principles: quality, responsibility, mutuality, efficiency and freedom. These principles apply to advertising as well as the business operation in general. As a food industry leader, Ms. Zhang showed the varying number of products and data on the development of the business.

#### *Driving Industry Self-Regulation*

In 2007, Mars started to lead global advocacy and commitment in not advertising to children. From 2009, Mars participated in proactively supporting health related matters for children. Mars was the founding member of the advertising appraisal council (AAC) involving industry and consumers. In addition, Mars implemented GDA approval (nutritional panels on products).

#### *Promoting Industry Collaboration*

Mars are supporting the revision of China Advertising Law and working closely with the IAA, ICC, WFA, and CANA to advocate key policies and promote development. Mars continues to work with Government and Industry associations to strengthen collaboration and drive self-regulation in the region.

**Mrs. Li Yi** - Deputy Director General, CCTV Advertising Centre provided information regarding advertising self-regulation best practice from a media perspective.

Mrs. Li informed the Forum that CCTV, as a national television channel, takes responsibility of advertising in the TV media seriously and safeguards fair competition. She noted that some of the challenges CCTV has come across includes advertising censorship. CCTV has developed and supported organisations to assist with process and with technical teams to ensure quality of advertising to prevent and remove advertising breaches. Within CCTV there is a strong team of people who are responsible for review and supervision to address and strike a balance between economic development and social responsibility, including in the area of digital advertising material.

CCTV also monitors public opinion after the advertisement is published. Research and follow up is conducted to obtain public opinion about the advertisement.

Mrs. Li noted that CCTV was the first media company to obtain the recognition of the International Standards Organisation (ISO) in 2005. With so many years of experience the conflict between industry and social responsibility is now not as much of a conflict. She commented that generally speaking advertisers understand that if there are a lot of advertisements making false claims this will undermine consumer faith in advertisements and their products, and thus lead to lost sales.

**Mr. Pan Fei** – Senior Vice President of Blue Digital at Blue. As one of the only agency representatives at the Forum, Mr. Pan spoke about how the Chinese market is unique and special and that there are still significant gaps in advertising in China. Mr. Pan discussed the emerging areas for China of online and digital media.

In particular he noted that the use of the internet effectively adds a pair of wings for the advertising industry, but noted the difficulty in controlling the wings. In the Chinese market, advertisers are cutting their expenditure in traditional advertising mediums and looking to the internet (other than TV). He believed that this created a lot of anxiety for people who are unsure of the rules and Codes and even the marketing companies and consulting firms used to have much clearer rules, but now that line is blurred.

Mr. Pan stated that advertising needs to be real, truthful and not fake. People need to be honest, reliable and trustworthy. An agency must be reliable because many Chinese consumers have the impression that there are too many who brag about their companies and this makes them appear not trustworthy. Advertising needs to be very pragmatic and promote and communicate this to clients. As a Chinese and global company you need to have a sense of belief or mission and make it part of your corporate culture.

### ***Session 3: Panel Discussion***

Questions centered on the provision of truthful information in advertising, commitment to helping consumers, and whether employees are made aware of all the Codes and policies as part of their employment contracts.

Mrs. Zhang responded to the query about the commitment of Mars to the promotion of 'healthy eating.' It is important for Mars to respect our local regions as well as globally and to



follow internal laws and policies first of all and have strict rules regarding nutritional panels and ingredients.

In response to queries about zero tolerance to misleading advertising, Mrs. Li said that as advertisers are from all over China and the world, training people to be experts relies on support from others. CCTV invites experts and scholars to come and brief and hold forums to share knowledge and in-depth discussions and analysis. The Government supports what is being done.

The Moderator next asked Ms. Thomas-Reynaud (ICC) how the ICC Code is promoted in China. Ms. Thomas-Raynaud noted that the ICC launched a Mandarin version of the ICC Code in May 2014 and that various advertising associations are working with the local ICC contact in China to develop training and other activities.

Mr. Peng noted that employees must be aware of the ICC principles and be aware of the consequences of breaches. Mrs. Zhang noted that employees must be included in discussions and made sure they are aware of the policies and what they mean.

#### ***SESSION 4 – Working together to achieve fair competition and sound business environment - Compliance and the role of Governments***

**Moderator Mr. Oliver Gray** – Executive Director, European Advertising Standards Alliance (EASA). Introduced the panel and provided insight into the role of EASA.

**Mr. Keith Fentonmiller** – Senior Attorney, US Federal Trade Commission (FTC), Bureau of Consumer Protection, Division of Advertising Practices

Mr. Fentonmiller discussed reasons why self-regulation is worthwhile:

- consumers are better protected
- often works faster
- reduces the need for government action
- may be no legal basis for government action.

Clarification was provided about the fact that both consumers and competitors should be able to make complaints.

Mr. Fentonmiller discussed the various options for regulation in the USA. These range from standard setting through to co-regulation and involve varying levels of enforceability and different levels of stakeholder involvement in decision making.

Mr. Fentonmiller presented a diagram that included important elements to be considered as part of the advertising system field and as a basis for the development of any self-regulatory platform. These included inclusiveness, rigor, accountability and effectiveness. These are all conducted with transparency as an element that transcends all of these.

**Ms. Brenda Gonzalez** - Executive Director of Advertising, Government/Federal Commission for the Protection Against Sanitary Risk, Mexico, gave insight into her role and the many functions of the Ministry of Health in Mexico, whose mission is to protect the population against sanitary risk.

In advertising, the objective is to protect consumers against risk due to incorrect messaging in advertising. The Health Minister promotes co-regulation because it protects people from risk and is fundamental to help to reach the government's objectives and therefore supported by all. Ms. Gonzalez described how the Mexican government has agreements with specific sector organisations like cosmetics and other industries as some of the needs of these sectors are very specific and detailed.

She also noted the role of the government in coordinating and promoting self-regulation and the importance of consumers, government and the media working together.

**Ms. Charmaine Moldrich** – CEO, Outdoor Media Association (OMA), Australia explained that the OMA in Australia focuses predominantly on social value issues as opposed to issues concerning false and misleading advertisements. She discussed the market in which the OMA operates, its member base and how the membership system works.

OMA manages the regulations to work with the media. Ms. Moldrich explained the makeup of OMA Australia and that most of its members actually sell media (or sell space to advertise). She noted that in Australia the Government is also an advertiser as well as a regulator. She noted that Australia is still dominated by television advertising spend, with newspapers and magazines going backwards in spend.

Ms. Moldrich presented a number of examples of advertising in Australia which had caused concern in the community and described how the industry had effectively worked with the advertising self-regulatory body to ensure appropriate community standards and continuation of maximum advertising. Examples given concerned advertising of cigarettes (banned in Australia in 1989) and sex product advertising.

Ms. Moldrich noted that industry had to take more responsibility regarding advertising because of the level of community concern. In order to avoid government control they have introduced training and pre-vetting to assist advertisers to get it right.

She summarized the key points:

- The market will drive change
- The community will drive change
- Self-regulation is the best way to go because of this

## ***Session 2: Panel Discussion***

Mr. Gray asked how government can provide sufficient regulatory space to foster the growth of self-regulation.

Ms. Gonzales said it is important to work together (government and industry) and understand that it is best practice.

Mr. Fentonmiller noted that in the USA the self-regulatory body and the Government work well together because the FTC is an enforcement back stop for the self-regulatory body so that if an advertiser does not comply then they will request that the FTC take action. They cannot always do that but there is strength in the process as it has some “name and shame” action if it does not work.

In the case of Chile, Mr. Nuñez explained that the self-regulation body collaborates with the Government and that there is a new Code including a new policy for consumer protection. One of the points in that policy is that the Government should promote self-regulation. The self-regulatory body CONAR is now working on a co-regulation agreement. Also copy advice must be recognised. If an advertisement passes the copy advice then receives complaints, there will not be any financial penalty for the breach.

Mr. Gray referred to cultural adaptations of standards and needing to be careful about denigration and discrimination. He explained what copy advice and pre-vetting means.

Representatives from Australian and Mexico self-regulatory bodies explained their different approaches to copy advice. Such advice is not provided by the ASB due to a perception of potential conflict of interest perception—whereas in Mexico companies use copy advice frequently with one committee providing the advice and a different committee adjudicating. The ads that have received copy advice have a high success rate.

Ms. Moldrich commented that the OMA consider that complaints are indicative of community perceptions and shows advertisers what they consider suitable. The amount of advertisements that are banned is the measure of whether the OMA is being effective.

Mr. Gray explained the ‘upheld’ terminology and discussion was held around whether advertisements were immediately removed after complaint in some APEC economies or where due process was followed prior to any removal of the advertisement.

### ***The Beijing Agreement – Mr. Hou Yunchun***

At the conclusion of the Forum, Mr. Hou Yunchun announced the completion of the APEC Action Agenda on Advertising Standards and Practice Development.

## **APEC Action Agenda on Advertising Standards and Practice Development**

As an important driving force in guiding consumption, expanding domestic demand and stimulating economic growth, advertising is a critical way of helping companies and industries across the APEC economies grow. Advertising enhances brand recognition, fosters competition, increases cross-border trade and provides for information and educational exchanges that build modern industrial economies. Regulatory and self-regulatory frameworks for advertising help achieve innovation, productivity and growth in all goods and services sold across and within APEC economies. The APEC Policy Support Unit (PSU) study of 2014 recognised the significant benefits of advertising.

Advertising standards refer to codes of practice – set out by the advertising industry on the basis of international experience and adapted to locally and culturally specific realities. As such, these standards provide guidance on how best to protect and inform consumers and prevent anti-competitive practices and complement a sound regulatory system. A self-regulation system that applies advertising standards is an implementation of self-discipline and self-management under industry auspices and is an important complement to government regulation and enforcement.

Asia-Pacific enjoys the most dynamic growth in the global economy while advertising spend across the region constitutes a significant share of the global market. It is APEC's priority to facilitate the alignment of standards, promote regional trade and investment liberalization and reduce non-tariff barriers to trade. We agree that the goal of aligning advertising standards across the Asia-Pacific region will be conducive to the establishment and delivery of advertising services, which, in turn, will enable business growth, greater regional trade and investment, non-tariff barrier reduction and drive economic growth among APEC economies.

The APEC PSU study provided a comprehensive map of the current situation with respect to the regulation of advertising in the region, and international experience. It showed that economies were in different stages of development in terms of advertising regulatory frameworks and that capabilities for self-regulation differ. The authors reasoned that APEC economies would benefit from sharing best practices consistent with international norms, from consumer awareness programs and dialogues on sector specific issues. Given the diverse needs and situations of APEC economies, some overall principles of Advertising Standards are essential in facilitating effective and efficient cooperation and the establishment of a more focused set of systems of advertising standards across the Asia-Pacific region.

We recommend that APEC economies reflect the following principles in their advertising regulatory regimes:

1. Be legal, decent, honest and truthful.
2. Conform to the principles of fair competition, as generally accepted in business. Advertisers should respect intellectual property rights, and the legitimate rights of brand

holders and advertising agencies.

3. Respect the cultural, legal, and economic context of each individual APEC economy.
4. Give special care in advertising practice directed towards or featuring children or young people. Advertisements targeting, or portraying, children shall not contain anything that will lead to physical and mental harm to them and shall not take advantage of their potential vulnerability or credulity.
5. Advertising should not undermine healthy and active lifestyles or healthy balanced diets.
6. Advertising should take particular care to ensure truthfulness and integrity in relation to environmental claims.
7. Respect and protect personal privacy consistent with the APEC Privacy Framework and Cross Border Privacy Rules.
8. Comply closely with regional laws and regulations, industry standards and ethics.
9. Facilitate, rather than impede, trade and investment in the region.

We also note that:

10. Governments of APEC economies are in position to increase their support for efforts of advertising self-regulation in terms of public policy, legislation, and judicial practice, and should support industry organizations to show substantive encouragement for self-regulation practice.
11. The industry associations of the APEC economies are expected to actively participate in advertising self-regulatory practice. While raising awareness and capacity of self-regulation, they should play their role in guiding and rectifying their members' advertising practice.
12. APEC economies are steadily progressing with the formulation, amendment, and implementation of advertising standards system, based on international best practice and taking local cultural norms into account.
13. APEC Economies should actively explore specific ways to realize advertising self-regulation, should enhance communication and cooperation in terms of organizational structure, process design and performance management, and should endeavor to realize the significant industry role in self-regulation and extensive social influence of advertising self-regulatory practice.
14. As the initiator, investor and drivers of brand advertising campaigns, advertisers should practice corporate social responsibility and actively promote responsible advertising. Brand owners and their representative organisations should, therefore, assume primary responsibility for advertising communications and industry self-regulatory practice.

15. APEC Economies, recognizing the important role of advertising in the economy, including notably in promoting brand awareness, competition, cross border trade flows in goods and services, value-added employment, and market development, should,
- Develop principles in 2015 for APEC economies to use in developing their advertising and self-regulatory regimes;
  - Develop and deliver mentoring and capacity building programs in 2015 that aim to help economies adopt these principles;
  - Develop an advertising regulatory checklist in 2015 that details key elements of a regulatory framework that facilitates trade and investment and protects consumers; and
  - Build public awareness programs of available consumer policy tools, including self-regulatory organizations (SROs) for roll out in 2015-2017.

## **Day Two – Capacity Building Technical Workshop**

Day two was a technical workshop for APEC economies to build capacity for the effective establishment and/or improved operation of a self-regulatory organisation consistent with international best practice.

The focus of the Workshop was sharing information and practical experience among APEC economies on how effective advertising principles can be put into a practical system—whether self-regulatory, co-regulatory or government controlled. The Workshop welcomed a number of experienced advertising self-regulation practitioners from APEC economies.

### ***SESSION 1 – Funding the system and running a secretariat***

**Mr. Hou Yunchin** – President of CANA, welcomed participants to the capacity building workshop.

**Ms. Mila Marquez** – Executive Director, Advertising Standards Council (ASCP), The Philippines, spoke about the Philippines’ self-regulation experience, explaining that they are a non-profit organisation that aims to promote truth and fairness in advertising through self-regulation of advertising content.

Main functions of the ASCP:

- Screening of ads with or without claims
- Hearing disputes on ads which pertain to content of the ad
- Resolutions of disputes on ads arising from procedures of the ASC

Overriding Principles include:

- protection of consumer interest
- content regulation safeguard truth in advertising
- rules and procedures facilitate production and placement of the advertisements.

Ms. Marquez informed attendees that ASCP is guided by the law of the land, the ASCP Code of Ethics and ASCP precedents. Scope of coverage includes, but is not limited to, all broadcast materials: cinema ads; out of home (billboards, digital displays); and merchandising materials.

The prescribed period for filing complaints is 60 calendar days from the first airing of subject copy claim. The ASCP turnaround is a maximum of 3 days to form a panel upon receipt of complaint with the decision is released within 48hours after the hearing.

Ms. Marquez noted that the ASCP collaborates with the: Department Trade and Industries; Food and Drug Administration; Department of Health (DOH); Department of Transport and Communications (CAB); Metro Manila Development Administration; and National Telecommunications Commission.

She noted that the main beneficiaries of best practice regulation are both consumers and Industry. If the self-regulatory regime is not of a high standard or non-existent then governments have no choice but to legislate.

#### INTERACTIVE DISCUSSIONS:

Questions from attendees were about the role of a Consumer Protection Authority, if there is one, and suggested that perhaps prevention is better than reacting after an advertisement has been broadcast. Ms. Marquez stated that the ASC maintains a collaborative approach with other organisations and runs forums and information sharing so that the Government is always across what is going on and the process is transparent. This demonstrates that ASC can manage without government having to legislate.

Other questions related to whether or not the ASCP can apply penalties and whether there is a fee to have an advertisement cleared by the ASCP.

Ms. Marquez informed attendees that an application for screening is \$20. The filing fee increases to about \$200 to cover the operational expenses. The penalties can reach about \$500 dollars and an advertiser can be charged with violations and financial penalties imposed can be significant. However, as advertisers voluntarily become members of the ASCP they generally adhere to sanctions. Failure to pay a penalty results in the advertiser being unable to broadcast any advertisements.

#### **Mr. Ricardo Maguiña Pardo** – Executive Director, CONAR

Mr. Maguiña informed attendees about how the Peruvian self-regulatory organisation has been successful. Keys to its success were:

- being proactive on copy advice (rather than reactionary so as to avoid the progression to complaint status.)
- working collaboratively with Government and providing continued support to help people comply.

Key steps to making systems successful are:

- Knowing (what is needed and who is involved)
- Understanding (complaints, efficiency and efficacy, how much cost)
- Demonstrating that it is worth it (self-regulation, supervision, impact studies, next generations, value)

Mr. Maguiña spoke about the importance of positive reinforcement as well as notification of when things are going wrong and how this is imperative as part of best practice operations and capacity building.

In order to ensure success the following key points should be considered:



- Best Practices to generate sustainable funding (e.g., additional sources and/or new services)
- Assist in formulating strategic action plan and improving secretariat skills
- Increase awareness in stakeholders
- Known and learn more experiences in co-regulation
- Specialization in Advertising Regulatory Impact Analysis (Ex. APEC - OECD)
- Implement peer review system in APEC's SROs.

### ***Session 2 – Technical Advertising System Workshops***

Attendees then broke into groups to attend two workshops from four choices. The objective of the workshops was to allow for technical discussion on how to address the issues described.

*2.1 Dealing with ICT developments* – how to make the standards apply across all media forms and how to manage complaints in this area

**Mr. Lee Peeler**—National Advertising Self-Regulatory Council, United States

This workshop covered:

- How to manage complaints about advertising content on the internet and that dealing with internet based advertising is part of best practice
- Practical steps for dealing with an advertiser (responsible advertisers care about content WHEREVER it is placed and can remove content from any media)
- Online advertising generally—third party websites and advertiser own websites
- You Tube—advertiser has right to ask You Tube to remove its own intellectual property (IP) whether advertiser posted it or not
- Social media – Facebook, Twitter, blogs etc.
- Dealing with Interest Based Advertising (IBA or OBA) – the American experience—key concepts and actions in making a system work

*2.2 Effective industry and consumer awareness* – examine ways to raise awareness of the system and standards

**Ms. Sari Mattila**—Communications Manager, Advertising Standards Bureau, Australia

This workshop covered:

- Why good communication and marketing of an SRO is important
- How to develop strategies for creating better outreach outcomes
- How to generate information and evidence of activities in a non-technical nature
- How to use various media types to reach industry, government and community

### *2.3 The complaints process – what to do from start to finish*

**Dr. Alison Hopkins**—Complaints Manager, Advertising Standards Authority, New Zealand

This workshop covered:

- Best practice process issues in complaints handling (ideally reference to an international or regional standard – e.g., EASA’s International Guide)
- How to make it work in practice and what are the tricky bits!
- Importance of a Review process and how to set this up
- Possibly – use of software to improve timeliness, record keeping and aid in gathering statistical information

### *2.4 Truth and accuracy/decency – how to make decisions*

**Ms. Ildikó Fazekas**— European Advertising Standards Alliance

This workshop covered:

- Ideal jury composition
- Best practice jury operation (impartiality and independence)
- Majority decisions? Consensus?
- How to make a decision about truth and accuracy – what evidence do you need, what needs to be shown to the jury?
- How to make a decision about decency/social values – what are each Economy’s social values?

### ***Session 3 – Workshop Reports***

With attendees participating actively in the Technical System Workshops for the maximum allowable time, the concluding comments of the Workshop attendees addressed:

- The benefit of being able to meet together to discuss practical operation of self-regulation and complaints handling.
- The benefit of being able to hear about best practice models and firsthand experience from self-regulatory organisations that have implemented those models.
- The desirability of a network of organisations to share information between similar meetings and workshops.

### ***Session 3 – Conclusion***

The Workshop concluded with thanks to the host, Mr. Hou Yunchun, President, CANA and to the joint organisers of the Forum and Workshop - CANA and the Australian ASB.

### ***Evaluation and Future Mentoring Needs***

Subsequent to the Forum and Workshop, a feedback questionnaire was sent to APEC delegates that attended the forum, with 14 delegates completing the form. Results indicated:

- 100% of delegates rated the presentations made at the forum as 'good', 'very good' or 'excellent', with 29% giving it an 'excellent' rating.
- Of those who attended Lee Peeler's workshop, 100% rated the workshop as 'good' or above.
- Of those who attended Sari Mattila's workshop, 100% rated the workshop as 'good' or above, with some commenting that it would have been better if the session was longer.
- Of those who attended Alison Hopkin's workshop, 100% rated the workshop as 'very good' or above, with people again commenting that they wish the session could have been longer.
- Of those who attended Ildiko Fazekas' workshop, 100% rated the workshop as 'good' or above.
- 93% of delegates thought the overall event was 'very useful' and 7% found it 'fairly useful'.

Suggestions for future workshops included:

- Revision of cases, including a dialogue on the different criteria used to resolve them
- To add more time for participants to interact and share their experience
- Strong support for additional mentoring and focused capacity building work for SROs as well as local industry from around APEC economies
- More good practices presentation with the workshop focusing on the context and situation concerned in each country and tentative for starting or implementing SRO in each country.
- To consider an Asia Pacific type of 'EASA'